

# Hawai'i Tourism Authority



**2008** ANNUAL REPORT to the Hawai'i State Legislature

October 31, 2008



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# Letter from the Hawai‘i Tourism Authority

Aloha,

On behalf of the Hawai‘i Tourism Authority (HTA), the state agency for tourism, we present you with the HTA’s annual report for calendar year 2008. This report covers the agency’s activities, accomplishments and challenges from January through October 2008.

This year has been marked with uncertainty, as many variables, both within and outside the state, have impacted Hawai‘i’s visitor industry. Externally, the global oil market, mainland credit crisis and most recently, the flux on Wall Street, have put the dream of a Hawai‘i vacation out of reach for many travelers from our top performing markets.

Locally, the state has been impacted by events including the loss of two NCL cruise ships, the closure of Moloka‘i Ranch and decreased airlift to the islands. In particular, the airline crisis hit Hawai‘i directly on March 30, when Aloha Airlines ceased its passenger service after 65 years. Three days later, ATA Airlines suddenly shut down, and Hawai‘i had a potential crisis on its hands with 9,500 visitors stranded in-state. To address this situation, HTA’s board of directors held an emergency meeting to approve \$5 million to help underwrite activities to assist travelers. Using \$500,000 of these funds, the HTA secured nine flight segments through Hawaiian Airlines, United Airlines and Panda Travel to assist more than 2,200 visitors and residents who took advantage of the HTA-subsidized flights. Hawai‘i was well represented nationally as a state that takes immediate action to assist its visitors and residents in a time of need. We would like to acknowledge and thank the Hawai‘i Visitors and Convention Bureau (HVCB), the State Legislature, Governor’s Tourism Liaison, and the state’s visitor industry partners for coming together in a collaborative effort to show aloha for the safety and comfort of Hawai‘i’s visitors.

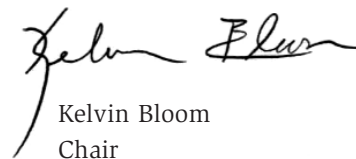
The HTA board further responded to the loss of airline seats and declining visitor arrivals, by approving \$3 million of the remaining \$4.5 million, for an enhanced marketing campaign on the West Coast.

The campaign launched in May helped to stabilize the market while communicating Hawai‘i’s value as a destination. Despite these additional marketing efforts, Hawai‘i tourism was still forecast to be soft. As a result, in September, the HTA, HVCB and the visitor industry launched a new \$12.5 million marketing campaign, “Return on Vacation,” targeting key markets with direct flight access to Hawai‘i including San Francisco, Los Angeles, Seattle, Phoenix, Denver, Dallas, Chicago, and New York. Then, in October, the Board approved an additional \$2 million to support Hawai‘i’s marketing efforts. And while marketing was rightfully a focus this year, the HTA continued to support and make progress in other initiatives including Hawaiian Culture, Natural Resources and Tourism Product Development. These efforts are described in the following pages of this report.


Like the industry, this year has brought changes to the HTA as well. This includes new leadership at the board, committee and staff levels and tough decisions on its budget and programs. These changes have given the Authority the opportunity to re-focus and look for ways to improve as it moves forward.

In closing, we would like to acknowledge all of those many stakeholders for their support this year. With tourism representing over 20 percent of Hawai‘i’s economy, now more than ever, it is critical that we come together as a community to work towards common goals that benefit everyone in the state.

Mahalo,



Kelvin Bloom  
Chair



Lloyd I. Unebasami  
Interim President  
& Chief Executive Officer

# I. Overview of the Hawai‘i Tourism Authority

## Background

In 1998, the Hawai‘i Tourism Authority (HTA) was established through a legislative act as the lead state agency for Hawai‘i’s visitor industry. This same act also established the Tourism Special Fund, a set percentage of transient accommodations tax (TAT) collections that is assessed on hotels, vacation rentals and other accommodations, that is used by the HTA to market, develop and support Hawai‘i’s visitor industry.

Among its responsibilities as the state’s tourism agency, the HTA is charged with the following:

- Setting tourism policy and direction from a statewide perspective;
- Developing and implementing the state’s tourism marketing plan and efforts;
- Administering programs and activities to sustain a healthy visitor industry for the state;
- Developing and monitoring implementation of the State Tourism Strategic Plan; and
- Coordinating tourism-related research, planning, promotional, and outreach activities with the public and private sectors.

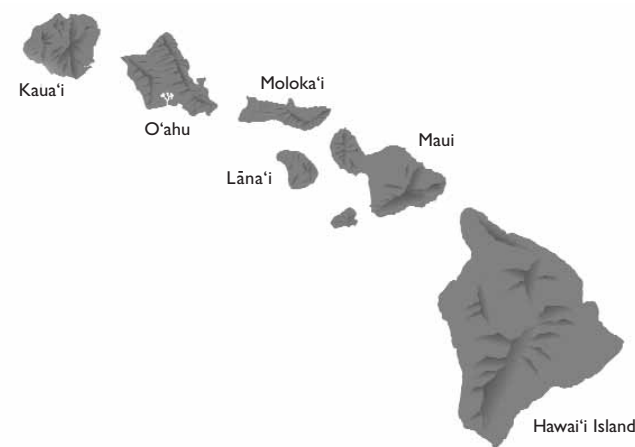
## Mission

*To strategically manage Hawai‘i tourism in a sustainable manner consistent with our economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs.*

## Organization

The HTA is headed by a policy-making board of directors, which consists of 12 public, voting members, and four ex-officio nonvoting members. The public voting members consist of members representing each of Hawai‘i’s four counties and maintain expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions. One of the board members also maintains expertise in the area of Hawaiian cultural practices. The nonvoting board members include a representative of the Department of Business, Economic Development & Tourism; the Department of Transportation; the Board of Land and Natural Resources; and the State Foundation on Culture and the Arts. The HTA Board reports to the legislature through its president and chief executive officer.

The primary purpose of the Board is to set broad policies and directions for the HTA’s activities consistent with the *Hawai‘i Tourism Strategic Plan: 2005-2015* (State TSP). This 10-year plan identifies nine initiatives for the industry that make up the framework under which the HTA develops and implements its tactical programs and activities throughout the year.



## BOARD COMMITTEES

### Administrative Standing Committee

Makes policy recommendations related to the evaluation of the executive director and the administration of the HTA.

*Committee members: Kelvin Bloom (chair), Sharon Weiner (vice chair) and Douglas Chang.*

### Budget & Audit Standing Committee

Develops policies to ensure the financial integrity of the HTA through the proper allocation and expenditure of funds in a manner consistent with the Board's policies and objectives, and ensures that funds are properly expended under a budget previously approved by the Board.

*Committee members: Vernon Char (chair), Leon Yoshida (vice chair), Douglas Chang, Michael Kobayashi, Marsha Wienert, and Stephen Yamashiro.*

### Marketing Standing Committee

Makes policy recommendations on initiatives that relate to promoting the visitor industry.

*Committee members: Sharon Weiner (chair), Patricia Ewing, Kyoko Kimura, Michael Kobayashi, Marsha Wienert, Ronald Yamakawa, and Leon Yoshida.*

### Strategic Planning Standing Committee

Makes policy recommendations relating to research and planning.

*Committee members: Kyoko Kimura (chair), Patricia Ewing (vice chair), Vernon Char, Kawaikapuokalani Hewett, Brennon Morioka, Laura Thielen, and Cha Thompson.*

## Board of Directors

(as of October 31, 2008)

<u>Members</u>	<u>Representation</u>	<u>Members</u>	<u>Representation</u>
Kelvin Bloom, Chair President ResortQuest Hawaii, LLC	At-large	Brennon Morioka Director State of Hawai'i, Department of Transportation	Ex-officio
Sharon Weiner, Vice Chair Vice President Global Communications & Government Relations, DFS Group L.P.	At-large	Laura H. Thielen Chairperson State of Hawai'i, Board of Land and Natural Resources	Ex-officio
Douglas Kahikina Chang General Manager Ritz Carlton Club & Residences Kapalua Bay	At-large	Charlene "Cha" Thompson Owner, Executive Vice President Tihati Productions	City & County of Honolulu
Vernon F.L. Char Attorney at Law Char Sakamoto Ishii Lum & Ching	At-large	Marsha Wienert Tourism Liaison State of Hawai'i, Governor's Office	Ex-officio
Patricia Ewing Owner Kong Lung Company	County of Kaua'i	Ronald K. Yamakawa Executive Director State of Hawai'i, State Foundation on Culture & the Arts	Ex-officio
Kawaikapuokalani K. Hewett	Hawaiian Culture	Stephen K. Yamashiro Consultant/Attorney	County of Hawai'i
Kyoko Y. Kimura President & General Manager Diamond Resort Hawaii	County of Maui	Leon Yoshida President Sawayaka Hawaii, Inc.	At-large
Michael K. Kobayashi President Polynesian Hospitality/ Kobayashi Travel Service, Ltd.	At-large		

## Operations

The HTA's president and chief executive officer reports directly to the HTA Board of Directors and is responsible for assisting the Board in its responsibility to execute the mandates of Chapter 201B, HRS. This includes carrying out board policies, administering HTA programs and overseeing the agency's day-to-day operations. To accomplish these tasks, an in-house staff supports the president and chief executive officer. In addition, the HTA staff works with various professionals in their respective fields to accomplish the necessary work in the areas, as outlined below:

### Tourism Marketing in the Leisure and Business Segments

- Hawai'i Visitors and Convention Bureau (HVCB) for the North America Major Market Area and Corporate Meetings and Incentives (CMI) Market
- Hawai'i Tourism Japan for the Japan Major Market Area
- Hawai'i Tourism Asia for the Other Asia Major Market Area
- Hawai'i Tourism Europe for the Europe Major Market Area
- Hawai'i Tourism Oceania for Australia and New Zealand

### Management and Marketing of the Hawai'i Convention Center

- SMG Hawai'i

### Research Efforts and Accountability Studies

- TNS
- Research and Economic Analysis Division, State Department of Business, Economic Development & Tourism
- SMS Research & Marketing Services, Ltd.
- John Knox & Associates
- OmniTrak Group, Inc.
- Market Trends

### Product Development, Natural Resources, Hawaiian Culture, and Workforce Development Programs

- County of Hawai'i, Department of Research and Development
- County of Kaua'i, Office of Economic Development
- County of Maui, Office of Economic Development
- City & County of Honolulu, Office of Economic Development
- Native Hawaiian Hospitality Association
- Council for Native Hawaiian Advancement
- University of Hawai'i, School of Travel and Industry Management
- Other community groups statewide

### Legislative and Government Affairs

- Okudara & Associates

### Communications Services

- Stryker Weiner & Yokota Public Relations, Inc.
- Digital Mediums

### Financial Services

- Bank of Hawaii

## STAFF

<b>Lloyd I. Unebasami</b>	Interim President & Chief Executive Officer and Chief Administrative Officer
<b>Momi Akimseu</b>	Strategic Planner
<b>Caroline Anderson</b>	Marketing Manager
<b>Muriel A. Anderson</b>	Vice President of Tourism Product Development
<b>Lynn D. Bautista</b>	Contracts Specialist
<b>Maile Carvalho</b>	Accounting Assistant
<b>Sharon M.L. Freitas</b>	Director of Communications
<b>Jadie Goo</b>	Administrative Assistant
<b>Irene Iha</b>	Administrative Assistant
<b>Lois Kajiware</b>	Administrative Assistant
<b>Robbie Ann A. Kane</b>	Tourism Product Development Manager
<b>Grace Lee</b>	Tourism Product Development Specialist
<b>Stella V. Montero</b>	Budget/Fiscal Officer
<b>Janna Nakagawa</b>	Administrative Assistant
<b>Melissa Ortega</b>	Clerical Assistant
<b>Winfred Pong</b>	Projects Manager
<b>Roann Rakta</b>	Executive Secretary
<b>Michele Shiowaki</b>	Administrative Assistant
<b>Michael Story</b>	Sports Manager
<b>Vengie S. Talaro</b>	Administrative Assistant
<b>David Uchiyama</b>	Vice President of Tourism Marketing
<b>Keli'ihoolani N. K. Wilson</b>	Hawaiian Cultural Coordinator





## II. Hawai'i Tourism Strategic Plan (State TSP) and HTA's Efforts in Each of the Nine Initiatives

In 2004, the HTA, with assistance and input from the industry and the community, developed the *Hawai'i Tourism Strategic Plan: 2005-2015* (State TSP). This 10-year plan is focused on creating a sustainable future for Hawai'i's visitor industry and identifies a shared vision for Hawai'i tourism by industry stakeholders:

*By 2015, tourism in Hawai'i will:*

- Honor Hawai'i's people and heritage;
- Value and perpetuate Hawai'i's natural and cultural resources;
- Engender mutual respect among all stakeholders;
- Support a vital and sustainable economy; and
- Provide a unique, memorable and enriching visitor experience.

The plan also provides a roadmap for achieving that vision, including the following components:

- Guiding principles and Native Hawaiian values;
- Performance indicators to help measure the collective success in achieving the vision for Hawai'i's visitor industry;

- Nine strategic initiatives that were identified as the priorities needed to achieve the vision; and
- Lead and support partners in the public and private sectors that need to work together on each initiative to achieve the overall vision.

A successful and sustainable visitor industry will not be the result of the work of any one organization. This is a plan for all of Hawai'i and all stakeholders to take responsibility for their role in the plan, to work together to address issues as they arise and to achieve overall success. Therefore, consistent with the philosophy of the State TSP, the HTA develops its own agency programs and plans within each of the nine initiatives that are listed below:

- Access
- Communications and Outreach
- Hawaiian Culture
- Marketing
- Natural Resources
- Research and Planning
- Safety and Security
- Tourism Product Development
- Workforce Development

Presented over the following pages, is a brief narrative of the HTA's programs and activities for each of the nine initiatives for the period January 1, 2008 through October 31, 2008. Please note that the budgeted allocations for each of the initiatives are also provided, although these amounts may differ from the final expenditures for the year.

# Access

*Goal: To maintain and improve transportation access, infrastructure and services to facilitate travel to, from and within Hawai'i.*

2008 Budget: \$7,960,000

For this initiative, the HTA plays a supporting role. Its primary programs include the following:

## Airlift Efforts

Given rising fuel costs, the instability of the airline industry and discussions about new mergers and codeshare partnerships, accessibility has become one of the most important initiatives for the year. As a result, the HTA has spent considerable time and resources in this area working on the following:

- **HTA's Airlift Development Program:** As visitor numbers decline, it is essential to ensure adequate lift to Hawai'i. The HTA provided funding for 56 cooperative programs in conjunction with airlines and travel wholesalers who were required to provide at least a 3:1 match in funds to support travel during the spring, summer and fall periods. The program seeks to attract higher spending, active visitors to Hawai'i; expand exposure for the overall destination and help sustain routes that are at risk of cancellation. In total, more than \$11 million was invested into the marketplace through these cooperative programs;



**Inaugural Alaska Airlines flight to Maui**

- **Addressing changes in the airline industry:** The HTA, together with HVCB, hired an airline consulting firm, Sabre Airline Solutions, to conduct an ongoing air service review of Hawai'i and provide recommendations on maintaining and growing lift to the state. The review provides an in-depth analysis on a number of topics including the airline industry's current market conditions, the effects to Hawai'i on potential mergers and code sharing of certain carriers, and Hawai'i's interisland air system; and
- **Airline Meetings:** In an effort to promote and facilitate closer relations with current and potential airlines serving Hawai'i, the HTA's executives have been meeting with their airline counterparts from the U.S. East, U.S. West, Japan, Other Asia, and locally to discuss mutual concerns, operating issues, future outlooks, and proactive solutions.

## Statewide Airport and Harbor Greetings Program

The objective of the HTA's Greetings Program is to share the spirit of aloha with arriving and departing passengers at Hawai'i's airports and harbors. As such, this program supports entertainment, visitor information, hospitality services, amenity upgrades, Hawaiian cultural craft demonstrations, airport displays, and other services at airports and harbors throughout the state.

This year, a Hospitality Training Program was implemented at the Honolulu International Airport for front-line employees to help improve visitors' first and last impressions through the state's major ports of entry. More than 1,000 airport employees have received training, including security personnel, the Visitor Information Specialists of the Hawai'i State Department of Transportation's Visitor Information Program (VIP) and personnel from the Transportation Security Administration (TSA). Efforts are underway to expand this training to the neighbor islands to ensure improved quality and consistency of the visitor experience on a statewide basis.



## 2. Communications and Outreach

*Goal: To facilitate interaction among all stakeholders that improves the lines of communication and enhances greater understanding of roles, values and concerns.*

2008 Budget: \$2,895,000

HTA's communication efforts provide information to key constituencies about agency plans and programs as well as educate the public about tourism issues including the role the industry plays in Hawai'i. For this initiative, the HTA's primary efforts for the year included the following:

### Public Relations Efforts

As part of HTA's legislative mandate, the Authority is responsible for conducting communications and community outreach activities to educate and inform local stakeholder groups about HTA programs, policies, and its role in the community. This year's efforts included a special focus on reaching out to the visitor industry. Communication tools used included the distribution of press releases to local media; a monthly electronic newsletter about HTA activities and programs distributed to government officials, industry leaders and community members; speeches and presentations given by HTA representatives in Hawai'i and abroad; and face-to-face meetings with government, industry, business, and community leaders statewide.

In addition, the HTA increased its media relations efforts securing more than 270 print

articles, 30 of which were included in neighbor island publications, and 73 broadcast interviews that highlighted and informed the general public about various programs and events sponsored by the HTA, its partners and the visitor industry. Enhanced publicity efforts were conducted for HTA's 17th Annual Keep it Hawai'i Recognition Awards, the 2008 Hawai'i Tourism Conference and the annual Festivals and Events Seminar, which resulted in greater participation for these events.



HTA E-Bulletin

### HTA Recognized for PR Campaigns and Tools Keep it Hawai'i

HTA's 2007 Keep it Hawai'i Recognition Awards was recognized with a Koa Anvil Awards of Excellence from the Public Relations Society of America (PRSA). The event was praised for its extensive media coverage leading to an increase in quality applicants and recipients. The 2007 Keep it Hawai'i Recognition Awards also won an 'Ilima Award of Merit for its communication program from the International Association of Business Communicators (IABC).



Muriel Anderson of HTA (left) receives an IABC 'Ilima Award of Merit.

### HTA's 2007 Annual Report to the Hawai'i State Legislature

HTA's 2007 Annual Report to the Hawai'i State Legislature won a Koa Hammer Award from PRSA and an 'Ilima Award of Merit from the IABC.

## Hawai'i Tourism Conference

On August 7-8, 2008, more than 700 people attended the fifth annual Hawai'i Tourism Conference – *Hawai'i a Ma 'Ō Aku– So Much More Hawai'i*, which was held at the Hawai'i Convention Center. The purpose of the conference was to bring together Hawai'i's visitor industry to hear from experts locally, nationally and from around the globe about the latest trends in tourism. On the first day, speakers presented a variety of topics including preparing for the arrival of Korean and Chinese visitors, how to find and use Hawai'i visitor statistics and information on the challenges Hawai'i's airline industry is facing. On the second day, the HTA's marketing partners presented their 2009 tourism marketing plans. For more information on this event, visit [www.hawaiiitourismconference.com](http://www.hawaiiitourismconference.com).



Media panel at Hawai'i Tourism Conference.

## Other Communications Efforts

Ongoing Web site development and enhancements for the following:

- **HTA's Web site**

([www.hawaiiitourismauthority.org](http://www.hawaiiitourismauthority.org)) provides an overview of the agency and information about the HTA's programs, plans and activities. It also includes news releases, requests for proposals, presentations, and calendars;

- **Travel Smart Hawai'i's Web site**

([www.travelsmarthawaii.com](http://www.travelsmarthawaii.com)) provides information to visitors traveling to Hawai'i. This year, the site was especially useful in providing up-to-date information to the public following the closure of Aloha Airlines and ATA regarding chartered flights and other helpful resources for displaced travelers;

- **HTA's Festivals and Events Microsite**

([www.htafestivalsandevents.com](http://www.htafestivalsandevents.com)) was launched this year to promote the agency's annual Festival and Events Seminar. The new user-friendly site offered easy-to-find information on registration, island schedules, speaker biographies, as well as post-conference PowerPoint presentations and videos of the keynote speakers; and

- **HTA's Hawai'i Tourism Conference Microsite**

([www.hawaiiitourismconference.com](http://www.hawaiiitourismconference.com)) was another microsite launched this year. The site featured program details, registration and hotel information, and speaker biographies. Following the conference, each speaker's PowerPoint presentation, including links to the 2009 marketing plans, were made available on the site.

## 30th Annual Visitor Industry Charity Walk



Established in 1974, the Visitor Industry Charity Walk is still going strong with more than 9,500 walkers participating in this year's event. Along with the Hawai'i Hotel & Lodging Association, Hawai'i's visitor industry helps to support the various local charities on each island. To date, the walk has raised more than \$20 million, benefiting more than 160 local non-profit organizations statewide, including:

- Alzheimer's Association
- American Cancer Society
- American Heart Association
- American Red Cross
- ARC
- Big Brothers Big Sisters
- Boy Scouts of America
- Boys & Girls Club of Hawaii
- Brantley Center, Inc
- Catholic Charities Hawaii
- Child & Family Services
- Food Bank
- Foster Family Programs of Hawaii
- Girl Scout Council of Hawaii
- Habitat for Humanity
- Hawaii Children's Theatre
- Hospice
- Kapiolani Child Protection Center
- Mediation Services
- Mental Health Association
- Mental Health Kokua
- PACT (Parents and Children Together)
- Public Schools of Hawaii Foundation
- Ronald McDonald House Charities of HI
- Special Olympics
- Visitors Aloha Society Hawaii
- Women Helping Women
- YMCA
- YWCA

### 3. Hawaiian Culture

*Goal: To honor and perpetuate the Hawaiian culture and community.*

2008 Budget: \$2,500,000

Recognizing that the Hawaiian culture and community makes Hawai'i unique and is therefore critical to the sustainability of Hawai'i's visitor industry, the HTA supports several programs under this initiative including the following:

#### Hawaiian Culture Community Program

In 2008, the HTA continued its partnership with the Council for Native Hawaiian Advancement (CNHA) to implement and administer the Kūkulu Ola – Living Hawaiian Culture Program. Through this program, HTA provided \$839,012 in funding to 20 organizations for various projects that help strengthen and perpetuate the Hawaiian culture. Projects supported include the Hawai'i Maoli's Hawaiian Cultural Resource Directory; Hui Kū Maoli Ola's Lelekamanu – Moloka'i Project; Hula



**Moku Ola Education Foundation was awarded funding for its Growth of Hawaiian Healing Arts program, which promotes the education of lomilomi and la'au lapa'au.**

Preservation Society's Preserving the Past, Sharing the Future; and the Kipahulu 'Ohana Inc.'s Kapahu Living Farm (a complete list of projects is available on the HTA Web site).

Throughout the year, CNHA held informational workshops on the 2009 program, its criteria and the selection process. More than 200 individuals attended the workshops, which were held in all counties. For more information on the program, visit [www.livinghawaiianculture.org](http://www.livinghawaiianculture.org).

#### Keep it Hawai'i Program

The Keep it Hawai'i Program recognizes the efforts of individuals, organizations and businesses that help to perpetuate the Hawaiian culture. The program continues to set the bar for the community and the industry by showcasing those who are "doing it right" throughout the state and abroad.



In 2008, six Legacy Awards - He Kuleana Ke Aloha, were presented to those who have "built a legacy of aloha," and strive to honor and perpetuate the Hawaiian culture. A single Koa Award - Kū Kilakila Ka Ulu Koa I Ka Naele, was presented to Kamehameha Investment Corporation for its Ho'iho'i Kūlana Wahi Pana – Restoring Sacred Places project for best exemplifying its commitment to help preserve and perpetuate Hawai'i's host culture. In addition, 17 Kāhili Awards – Kāhili Kū Ki'eki'e



**Keli'i Wilson of HTA presents the Koa Award to Kamehameha Investment Corporation for its Ho'iho'i Kūlana Wahi Pana — Restoring Sacred Places project.**

and 26 Lehua Maka Noe Awards - *Lehua Maka Noe Mōhala O Uka*, were presented to individuals, organizations and businesses (a complete list of all recipients is available on the HTA Web site). This year's 17th Annual Keep it Hawai'i Recognition Awards ceremony was again part of the annual Hawai'i Tourism Conference.



**'Ohana Pahinui receives a He Kuleana Ke Aloha award for their legacy in Hawaiian music.**



## Native Hawaiian Festivals Program

The HTA provided funding and support to Native Hawaiian Signature Events that perpetuate the Hawaiian culture through programs and activities for residents and visitors, including the following:

- **Prince Kūhiō Celebration** held annually in March, to honor a Hawaiian Prince for his many achievements and contributions;
- **King Kamehameha Celebration** held each June, in commemoration of Hawai'i's first monarch, King Kamehameha I;
- **Prince Lot Hula Festival** held in July, is a non-competitive hula event that includes hālau (hula schools) from Hawai'i and abroad; and
- **Aloha Festivals (O'ahu)**, is a long standing event that celebrates the Hawaiian culture through activities and events during the month of September.

For many decades, Aloha Festivals events were held statewide. Due to various challenges, the organization made the decision to discontinue



### Aloha Festivals

management of the neighbor island festivities and focus solely on the O'ahu events. Understanding the importance of this event, the HTA provided funds and partnered with the Hawai'i Visitors and Convention Bureau (HVCB) and its island chapters on Hawai'i Island, Maui and Kaua'i, and with other community organizers, to ensure that events on the Neighbor Islands would continue.

## Native Hawaiian Hospitality Association

The HTA continues to provide support for the organizational capacity building of the Native Hawaiian Hospitality Association (NaHHA), the lead organization in the Hawaiian Culture Initiative. In May, NaHHA held its annual conference that was attended by more than 800 individuals from the Hawaiian community and the visitor industry. The conference serves as a venue for participants to learn, share and collaborate on issues of mutual concern, and to encourage the industry and the Hawaiian community to forge ahead collaboratively.



Prince Lot Hula Festival

## 2008 Keep it Hawai'i Recognition Awards

### Legacy Awards - He Kuleana Ke Aloha Recipients

#### Lolena Nicholas - Native Speaker

Lolena began teaching young children as part of 'Aha Pūnana Leo's movement to perpetuate the Hawaiian language. Because of her efforts, Hawai'i has a new wave of Native Speakers.

#### 'Ohana Pahinui - Hawaiian Music Legacy

The 'Ohana Pahinui's legacy comes from the love of Hawaiian music, and in particular, that of kīhō'alu (slack key guitar), a style which was made famous by Gabby "Pops" Pahinui. Today, Gabby's legacy is carried on through his children.

#### AM 940 - Traditional Hawaiian Music, All the Time

Formerly known as KCCN 1420 AM, this traditional Hawaiian music station was famous in the 1970s for airing traditional Hawaiian music and Hawaiian-related programming. The station's continued commitment to this genre allows for the perpetuation of Hawaiian music through the medium of public radio.

#### The Brothers Cazimero - Hawaiian Music Legends

The Brothers Cazimero are legendary performers. Their musicianship and stylish vocals blend to produce a style that is now part of the fabric of Hawaiian music history.

#### 'Ohana Wa'a - Deep Sea Voyaging Legacy

'Ohana Wa'a is made up of various organizations including the Polynesian Voyaging Society and the Friends of Hōkūle'a and Hawai'i'loa. United under one mission and goal, these groups are coming together to collaborate and share resources in order to continue the traditions of deep sea voyaging.

#### Wright Bowman Jr. - Master Canoe Builder

Wright Bowman Jr. is known to be one of the greatest contributors to the perpetuation and renewal of traditional canoe building skills.

## 4. Marketing

*Goal: To develop marketing programs that contribute to sustainable economic growth.*

2008 Budget: \$54,350,000

### Marketing Overview for CY 2008

Marketing Hawai'i effectively in both leisure and business markets has been the HTA's top priority in 2008. This year was especially challenging for Hawai'i's visitor industry due to rising fuel costs, overall volatility of the airline industry, the recent U.S. economic downturn, and many other variables including the closures of Aloha and ATA Airlines, and the withdrawal of NCL America's Pride of Hawai'i and Pride of Aloha cruise ships earlier this year.

To address these challenges, throughout the year, the HTA has put more focus and increased resources towards marketing-related initiatives intended to stimulate travel to Hawai'i. In particular, with the most notable decline in arrivals occurring from the traditionally strong North America market, the HTA, the Hawai'i Visitors and Convention Bureau (HVCB) and the visitor industry launched a cohesive marketing program to supplement current marketing efforts in key U.S. cities that presently have direct flight access to Hawai'i including San Francisco, Los Angeles, Seattle, Phoenix, Denver, Dallas, Chicago, and New York. The additional marketing funds are being delivered in three media campaigns themed "Return on Vacation." In October, the board approved an

### Challenges Affecting Tourism

- Economic Variables (mortgage crisis, stock market, international economies, fuel prices)
- Fuel Surcharge
- Airlift
- Fuel Cost
- Competitive Product Offerings
- Time value
- Adoption of a staycation
- Changing Workforce
- Refreshing our destination
- Maturing Destination
- Foreign Currency Strength

additional \$2 million to market Hawai'i.

While the HTA's short-term focus has been on markets like North America, that can drive business to Hawai'i immediately, the Authority has also been working closely with its marketing contractor in Asia, Hawai'i Tourism Asia (HTAsia), which includes Hawai'i Tourism China (HTC), Hawai'i Tourism Korea (HTK) and Hawai'i Tourism Taiwan (HTT), to position Hawai'i as an attractive visitor destination in developing international markets. This year, there were two exciting developments in two of those markets:

- In June 2008, the Chinese and U.S. governments implemented the Tourism Memorandum of Understanding (MOU). This is a milestone for the travel industry in both China and Hawai'i because for the first time, travel agents in China are able to openly promote group leisure tours to Hawai'i. While Chinese will still

### State of Hawai'i Aids Stranded Travelers

Due to the shutdown of ATA on the heels of Aloha Airlines' closure of transpacific and interisland passenger operations, an estimated 9,500 passengers were stranded in Hawai'i unable to secure an alternative flight home.

To service Hawai'i's visitors and assist residents who were stranded on the mainland, the HTA issued a request for proposal on April 3 for charter airline services to help stranded passengers. The following day, the HTA board held an emergency meeting to approve funds to help underwrite flights and support other potential activities to assist travelers. The HTA secured a total of nine flight segments on Hawaiian Airlines, United Airlines and Panda Travel that month. More than 2,200 visitors and residents took advantage of the HTA-subsidized flights at the approximate cost of \$500,000 of the allocated funds. In addition, informational updates were posted on HVCB's Web site - gohawaii.com – about the situation. Hawai'i was well represented nationally as a state that takes immediate action to assist its visitors and residents in a time of need.

need visas to travel to Hawai'i, given this MOU, HTC projects a doubling of arrivals from China to Hawai'i within two years.

- It is widely anticipated that before year-end, President Bush will expand the current visa waiver program to include South Korea and six European nations. As a result, there will be fewer travel restrictions on visitors from those countries, including obtaining visas before traveling to the U.S. for short-term visits. Once this occurs, HTK and the Visit USA Committee project a doubling of arrivals from South Korea to Hawai'i within the first one to two years.

In anticipation of these developments, the HTA provided HTAsia with an additional \$800,000 in February to increase marketing efforts in China and Korea for the following:

- Enhance training efforts and sales tools;
- Increase familiarization tours to educate the travel trade and media about Hawai'i;
- Develop co-op opportunities with key agents and airlines for joint promotions and campaigns; and
- Open a second office in Beijing, China (in addition to their current office in Shanghai, China).

To complement marketing efforts in these two areas, work on increasing airlift from China and Korea to Hawai'i was conducted as follows:

- China: HTA and HTC have been working to obtain direct flight service from mainland China to Hawai'i with potential startup charter companies and have also

been in discussions with other carriers including Shanghai Airlines, China Eastern Airlines, Hainan Airlines, and Air China. In November, Mega Global, a charter airline from China, is planning its inaugural flight from Tianjin to Honolulu.

- Korea: HTA and HTK are continuing to dialogue and partner with Korean Airlines and United Airlines regarding airlift to Hawai'i.

In addition to the efforts described above, the HTA and its marketing contractors, together with visitor industry stakeholders, have been working diligently to implement their 2008 marketing plans. The following section details this year's marketing highlights from those plans for each market.

## Marketing Categories

	Budget (in \$ millions)
Leisure Marketing	\$37.86
Hawai'i Arts Program	\$0.15
Corporate Meetings & Incentives	\$2.56
Hawai'i Convention Center	\$4.0
Marketing Flexibility Fund	\$2.0
Sports	\$7.78
<b>TOTAL</b>	<b>\$54.35</b>

**Within the marketing initiative, HTA's primary marketing efforts are categorized as listed in the chart above.**

## Breakdown of Marketing Campaigns

The campaign supplements ongoing marketing efforts in North America, and are planned as follows:

### 1) **Fall 2008 Access:**

The campaign ran August-September 2008.  
\$1 million HTA; \$3 million visitor industry match.  
Subtotal: \$4 million

### 2) **Fall-Winter 2008 Supplemental:**

The campaign began in early October and goes through December.  
\$1.5 million HTA; \$1.4 million HVCB;  
and \$1.6 million visitor industry match.  
Subtotal: \$4.5 million

### 3) **Winter 2008 - Spring 2009 Supplemental:**

The campaign will run January through April.  
\$2 million HTA; \$2 million visitor industry match  
Subtotal: \$4 million



Ad from HVCB's "Return on Vacation" campaign



## Marketing Partners

### Hawai'i Visitors & Convention Bureau (HVCB)

#### North America

Jay Talwar, Senior Vice President, Marketing  
Tel: (808) 924-0220 • Email: jtalwar@hvcb.org

#### Corporate Meetings & Incentives

Mike Murray, Vice President, Sales & Marketing,  
Corporate Meeting & Incentives  
Tel: (808) 924-0253 • Email: mmurray@hvcb.org

### Hawai'i Tourism Japan (HTJ)

Takashi Ichikura, Executive Director  
Tel: 81 (03) 35732511 • Email: info@htjapan.jp

### Hawai'i Tourism Asia (HTAsia)

Masaki Sakamoto, Director  
Tel: 81 (90) 5568-9373 • Email: msakamoto@aviareps.com

#### China (Hawai'i Tourism China) – Shanghai Office

David Sun, Travel Trade Marketing Director  
Tel: 86 (21) 6359-1523 • Email: dsun@aviareps.com

#### China (Hawai'i Tourism China) – Beijing Office

Cynthia Zhou, Director  
Tel: 86 (10) 8532-5213 • Email: czhou@aviareps.com

#### Korea (Hawai'i Tourism Korea)

Emily Kim, Marketing Director  
Tel: 82 (2) 777-0033 • Email: ekim@aviareps.com

#### Taiwan (Hawai'i Tourism Taiwan)

Jemy See, Account Director  
Tel: 886 (2) 2377-4930 • Email: jsee@aviareps.com

### Hawai'i Tourism Europe (HTE)\*

#### Continental Europe

Christine Klein, Account Manager  
Tel: 49 (89) 23662197 • Email: cklein@aviarepsmangum.com

#### U.K. and Ireland

Robert Wilson, Regional Director  
Tel: 44 0207 367 0919  
Email: robertwilson@hillsbalfoursynergy.com

### Hawai'i Tourism Oceania (HTO)

#### Australia

Helen Williams, Country Manager  
Tel: 61 (2) 9286 8937 • Email: hwilliams@hawaiiitourism.com.au

#### New Zealand

Darragh Walshe, Country Manager  
Tel: 64-9-9772234 • Email: dwalshe@hawaiiitourism.co.nz

### SMG Hawai'i

Neil Mullanaphy, Hawai'i Citywide & Convention Sales,  
Executive Director of Sales & Marketing  
Tel: (703) 647-7410 • Email: nmullanaphy@hccsmg.co

\*Contact through December 31, 2008



Asia Pacific Incentives and Meetings Expo (AIME)

## Leisure Marketing

The HTA works with five marketing partners: Hawai'i Visitors & Convention Bureau (HVCB); Hawai'i Tourism Japan (HTJ); Hawai'i Tourism Asia (HTAsia); Hawai'i Tourism Europe (HTE); and Hawai'i Tourism Oceania (HTO) to promote Hawai'i in the major market areas (MMAs) which include U.S. East, U.S. West, Japan, and Canada, as well as other developing international markets.

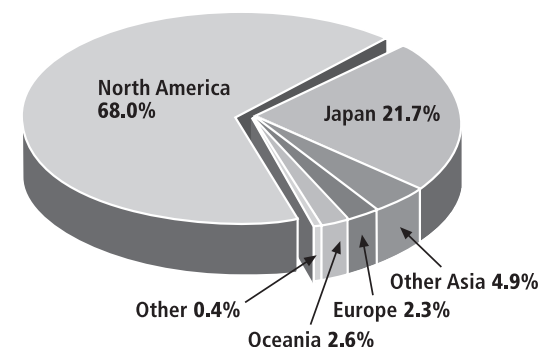
Of the total leisure marketing budget, nearly 90 percent of the funds were allocated to Hawai'i's two largest source markets: North America and Japan.

In addition to traditional marketing efforts, the HTA ensured that all marketing plans incorporated more travel trade education through workshops and seminars to provide retail agents with adequate information to sell Hawai'i to consumers.

## 2008 Leisure Budget

MMAs	\$\$
N. America	25,753.0
Japan	8,210.0
Other Asia	1,870.0
Europe	883.0
Oceania	980.0
Other	160.0
<b>TOTAL</b>	<b>37,856.0</b>

## MMA Allocations for CY2008



The Motivation Show

# Marketing

## NORTH AMERICA

North America is Hawai'i's largest source market for visitors and includes Canada, the U.S. West (which is defined as the 11 Pacific States west of the Rockies) and the U.S. East (all other states).

HVCB's 2008 marketing plan is designed to:

- Develop critical mass with marketing programs that focus on a select portfolio of market segments;
- Target marketing programs towards high-experiential travelers;
- Leverage programs that fill-in spring and fall shoulder seasons;
- Maintain a consistent brand position throughout North America;

- Develop creative marketing solutions to address barrier-to-sales issues including time, distance and price in U.S. East and Eastern Canada; and
- Target the avid traveler which includes outdoor recreation, arts and culture, golf, and romance traveler (including weddings and honeymooners).

HVCB highlights for the year include the following:

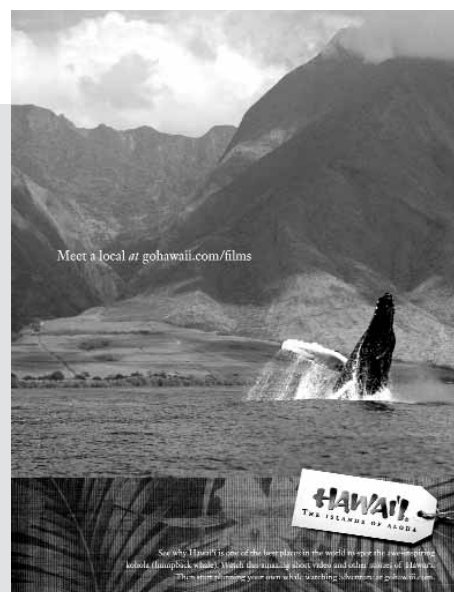
- Spring and Fall integrated multi-media "Stories of Hawai'i" campaign that drove potential visitors to a microsite featuring videos showcasing unique experiences shared by the people of Hawai'i;
- Hawai'i was featured on *The Travel Channel's* hit shows, "Anthony Bourdain's

No Reservations" and "Bizarre Foods" and in "Dinner: Impossible" on *The Food Network*;

- The Summer Promotion Campaign put special package values in front of targeted customers to blunt the impact of downward national economic and travel trends;
- The special Fall-Winter Promotion Campaign kept the value message in the minds of potential travelers through the balance of the year; and
- The "Aloha Season" promotion on *The Golf Channel*, including more than 60 hours of live programming originating from Hawai'i and more than 100 hours of programming, including 20 vignettes on "Hawai'i's Hidden Golf Adventures."



Aloha Season - Golf Channel Promotion



HVCB Stories of Hawai'i print ad



Anthony Bourdain at Uptown Fountain on O'ahu

Stories of Hawai'i campaign (Spring and Fall promotion)



# Marketing

## JAPAN

Japan is the largest source of international visitors to Hawai'i and boasts the biggest daily spenders in the market. As such, given the various challenges affecting visitor arrivals from that market, marketing efforts have been refocused to successfully promote longer stays and increased daily visitor spending.

Hawai'i Tourism Japan (HTJ)'s 2008 marketing plan is designed to:

- Support Hawai'i's brand image as a sophisticated and constantly evolving destination;
- Communicate new and/or renewed reasons and ways to travel throughout the islands; and

- Target key segments including active seniors and baby boomers, multigenerational families and romance travelers (wedding, honeymoon and vow renewal).

HTJ highlights for the year include the following:

- 2008 "So Much More Hawai'i" campaign communicated new events, attractions and activities to discover in the islands through new Web content, public relations efforts, advertising, and other collateral materials;
- Year-round public relations efforts resulted in more than \$66 million worth of media coverage;

- HTJ, Japan Airlines and JALPAK partnered for Hula Week 2008, a promotional event encouraging shoulder season travel. The event resulted in nearly 5,000 additional Japanese visitors to Hawai'i during June and July. The Fall promotion is expected to yield similar results; and
- Korean Airlines' "Beyond Incheon" Campaign included seminar and familiarization tour support to promote connector flights to Hawai'i from Japan's regional markets, via Incheon, Korea. As a result, 4,000 Japanese visitors are now flying to Hawai'i via Incheon each month.



**Beyond Incheon  
familiarization  
tour**



**So Much More Hawai'i campaign poster**



**Hawai'i featured in Asahi newspaper**

# Marketing

## OTHER ASIA

Hawai'i Tourism Asia's (HTAsia) 2008 marketing plan focused on positioning Hawai'i as a compelling choice for a growing segment of the upscale traveling population from three main geographic areas: China, South Korea and Taiwan.

HTAsia's 2008 marketing plan is designed to:

- Raise visibility and top-of-mind awareness of Hawai'i as a destination to major media throughout Asia;
- Educate and motivate the travel trade to more aggressively package and sell Hawai'i;
- Work with the airlines to increase lift to Hawai'i, particularly for Korea and China;
- Aggressively target the leisure incentive groups from Korea; and
- Support television initiatives and guide-book publications that showcase Hawai'i.

HTAsia's highlights for the year include the following:

- Following the signing of the Tourism MOU in June, a large China tour group numbering 160 which included tourism officials, industry and media representatives from Beijing, Guandong and Tianjin Provinces, departed for Hawai'i. In recognition of this significant occasion, the HTA and industry partners welcomed the group with a special reception on O'ahu;
- HTC launched a major advertising campaign with Air China Travel Service in Beijing and Shanghai. The campaign featured group and FIT tour packages targeting the mass market, seven-day Romantic Paradise packages targeting luxury honeymooners, and top-end packages for platinum and gold credit card holders through China Merchant Bank;

- HTK, with support from the U.S. Embassy in Seoul, launched the "Aloha Incentive Visa Program" to bring more incentive groups to Hawai'i. Companies planning incentive trips to Hawai'i obtain HTK's recommendation letter, which is then submitted to the U.S. Embassy to expedite the visa application process. This expedited visa program for Incentive Groups is applicable only to Hawai'i; and
- HTK organized its 4th Annual Hawai'i Travel Mission to Seoul which included 26 Hawai'i participants. The two-day travel mission was divided into four main functions: Travel Mart, Travel Agent Seminar, Aloha VIP Reception, and Mayor Harry Kim & Big Island Visitors Bureau's Media conference.



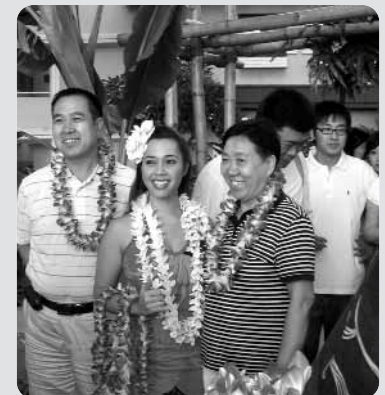
Aloha Incentive Visa Program



Air China's Travel Romantic Paradise ad



Korean Air's Hawai'i coupon booklet



Welcome Dinner at Hilton Hawaiian Village

# Marketing

## OCEANIA

In 2007, Oceania was the third largest source of international visitors to Hawai'i. However, this year, despite its favorable exchange rate and a healthy economy, there has been a decline in air seat capacity to Hawai'i. Consequently, year-to-date visitor arrivals from Australia and New Zealand through September have also seen a decline.

Hawai'i Tourism Oceania's (HTO) 2008 marketing plan is designed to:

- Grow Hawai'i's presence in the Oceania marketplace by tactically aligning efforts with key partners to impact arrivals, length of stay and per person per day spending;
- Cultivate the leisure market targeting the family, romance and avid traveler and business segments; and
- Address historical shoulder periods through collaboration.

HTO's highlights for the year include the following:

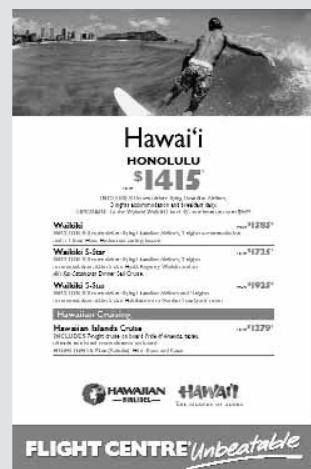
- HTO worked with Flight Centre Limited, Australasia's most successful travel agency group, to stage its annual global awards event in Hawai'i this past July. More than 2,700 qualified travel consultants from Flight Centre offices around the world traveled to Hawai'i for the event. In addition, HTO and Hawai'i travel industry partners hosted 150 Flight Centre consultants for a "Taste of Hawai'i" familiarization tour;
- Twenty-four Hawai'i suppliers joined HTO for its annual "Aloha Down Under" road show, which was held in Auckland, Melbourne, Brisbane, and Sydney. The theme of this year's road show was "So Much More Hawai'i," and focused on

the diversity of tourism and cultural experiences available throughout the islands. The show included five travel agent events, two media events, and a consumer show where suppliers met with more than 650 agents, product and marketing managers and key journalists and travel writers from Oceania; and

- HTO secured the Australian version of the "Biggest Loser" television show, and hosted six final contestants in Hawai'i, where they faced their fears and participated in a variety of challenges. Exposure resulted in five hours of television coverage (estimated media value of US\$15 million). The Hawai'i Challenge week was one of the highest rating weeks for the series with 5.3 million viewers over the six-day period.



Flight Centre Limited's Global Gathering in Hawai'i



Flight Centre campaign



HTO Hawai'i promotion



Aloha Down Under



# Marketing

## EUROPE

For Hawai'i, the European market presents many challenges to overcome such as the travel distance from Europe to Hawai'i, competition from "closer to home" destinations, limited options for access between the two geographic areas, and immigration concerns. Despite these challenges, year-to-date visitor arrivals from Europe through September 2008 are showing an increase over the same period last year.

Hawai'i Tourism Europe (HTE)'s 2008 marketing plan is designed to:

- Promote Hawai'i as an attainable dream destination to the European market;
- Increase destination knowledge and awareness of Hawai'i and stimulate sales through travel trade education;
- Grow Hawai'i's presence in Europe by coordinating efforts with key trade

partners to impact arrivals, length of stay and per person per day spending; and

- Cultivate the leisure market through romance, avid vacationer and business segments.

HTE's highlights for the year include the following:

- Lifestyle promotion with Dove, a leading body care product company in Germany, and Meier's Weltreisen travel agency, which resulted in a major promotional campaign featuring 350,000 pieces of point-of-sale material, advertising in various magazines with a total circulation of 500,000, Web site promotion, and a grand prize drawing for five trips to Hawai'i;
- Consumer campaign with Sony Pictures, United Airlines and Starwood Hotels & Resorts in Hawai'i for the DVD launch of

*Surf's Up*. The promotional campaign included a one-page ad in 500,000 DVD booklets, an on-pack promotion with 2.5 million coffee packets and a grand prize trip to Hawai'i; and

- Travel agent training guide with U.K. tour operator, Virgin Holidays. The guide, a sales tool distributed to more than 3,000 travel agencies, was also featured on the company's trade Web site.

In October, the HTA announced that it will end its marketing management service contract with Aviareps Mangum effective December 31, 2008. Aviareps Mangum has managed Hawai'i Tourism Europe's marketing efforts on behalf of the HTA since 2004. The HTA is currently soliciting proposals from interested contractors to provide tourism related general sales agent services and represent Hawai'i in Western Europe.



Hawai'i promotion with *Surf's Up*



HTE familiarization trip promotion



HTE and Dove Body Care's Hawai'i campaign



# Marketing

## Other Marketing Projects

### Industry Stakeholder Marketing Meetings

This year, the HTA invited key industry stakeholders to participate in the planning process with HTA's marketing contractors on their respective 2009 annual tourism marketing plans. These meetings, which occurred in March, June and August of this year involved over 140 participants and have resulted in an active exchange between the visitor industry and HTA's marketing contractors and improved collaboration and support in all of the MMAs.

### Japan Hawai'i Tourism Council

The Japan Hawai'i Tourism Council (JHTC) was established in 2008 in place of the Japan Hawai'i Economic Council, which disbanded last year. The council is comprised of more than 60 top government and industry executives from Japan and Hawai'i's visitor industry and its purpose is to address issues and opportuni-



**Japan-Hawai'i Tourism Council Meeting in Chinzan-so, Tokyo.**

ties relating to the development of travel between Japan and Hawai'i.

The first general meeting was held on April 22, 2008 in Waikīkī, where members identified four important issues that needed to be addressed: service, marketing, airlift, and meetings, incentives & conventions. Following the first meeting, council members formed four committees to further examine the issues and identify next steps. On September 24, the entire council met in Japan to present the actions and results that the various committees have conducted.

### Marketing Hawai'i's Arts & Culture

To showcase the diversity of culture and arts Hawai'i has to offer throughout the year, the HTA has undertaken several efforts as described below:

- Contract with *Pacific Network*, a newly created Internet network and Web site, to showcase island artists and arts organizations. With a focus on pre-arrival marketing, potential visitors looking to connect more closely with Hawai'i's cultures can access information such as calendar listings of cultural events and activities on the *Pacific Network* Web site, while they are still in their decision-making process;
- Hawai'i's arts and culture were featured in key U.S. publications like *Sunset Magazine*, *Los Angeles Times*, *Condé Nast Traveler*, *Country Living*, *Vacations Magazine*, *Seattle Metropolitan*, and *Portland Monthly*; and



**Pacific Network Web site**

- HTA's marketing partners promote Hawai'i's arts and culture through media blitzes to the U.S. mainland, an "Arts with Aloha" themed press trip, and public relations efforts with the media.

### Online Marketing Initiative

In an effort to increase online marketing efficiencies, the HTA began work this year, to centralize its marketing contractors' Web sites under one physical location. While the respective market's identity will still be maintained, centralizing the Web sites will allow for improved cross utilization of assets for all markets, in addition to elevating Hawai'i's online representation. In 2008, the initial phase of the online initiative took place. Results include improved integration of the Island Chapter Web sites into HVCB's site - gohawaii.com, better cross-selling of the islands, and improved navigation between the islands. HVCB is also working with two other English-speaking Web sites: Oceania and U.K.

# Marketing

## Hawai'i Romance Festival

To increase arrivals during the May shoulder period and to showcase Hawai'i as a romance destination, the HTA partnered with the Hawai'i Romance Festival for a week of concerts featuring local, national and international singers and other events on O'ahu. The HTA's marketing partners took advantage of this partnership by assisting with the promotion of this event and marketing Hawai'i as a romance destination. More than 20,000 visitors and residents participated in this year's festival, up 100 percent from the previous year.



**Hawai'i Romance Festival**



**2008 Pow Wow in Las Vegas**

## 2008 International Pow Wow

The HTA, HVCB's Island Chapters, and HTA's international marketing partners representing Europe, Oceania, Japan, and China, along with 23 Hawai'i vendors, participated in the Travel Industry Association of America's 2008 International Pow Wow. The 40th Annual International Pow Wow, held in May/June in Las Vegas, Nevada, brought international wholesalers and tour operators face-to-face with domestic suppliers (i.e. destination management organizations, hotels, receptive operators, retail, airlines, and attractions) and allowed HTA and its marketing team to establish new and support existing travel relationships. The HTA marketing team scheduled more than 180 appointments with international wholesalers, tour companies and media. In addition, an all-island media release highlighting the latest destination news was distributed to 400 international and domestic journalists.

## Business Marketing

The strategy for business marketing is to promote Hawai'i as a preferred destination for business tourism (to attend a meeting, convention or incentive conference) by increasing promotional presence and brand identity of the destination on a global basis. In 2008, the HTA worked with the Hawai'i Convention Center's (HCC) sales and marketing department of SMG Hawai'i and the HVCB's Corporate Meetings and Incentives (CMI) Department to:

- Brand Hawai'i as a business destination – Hawai'i is an excellent place for corporate meetings and incentives;
- Expand sales efforts through collaborative partnerships;
- Increase leads and bookings; and
- Increase "top of mind" awareness for Hawai'i as a business destination.



**Where Business and Aloha Meet Web site (Chinese version)**

# Marketing

## Hawai'i Convention Center Sales and Marketing

SMG Hawai'i, and the HVCB continued to joint-market and target the meetings industry using the successful tagline – *Where Business and Aloha Meet* through an innovative ad campaign featured in various national meetings publications and its Web site, [www.BusinessAloha.com](http://www.BusinessAloha.com). This year, four new language versions (Japanese, Korean, simplified Chinese, and traditional Chinese) of the Web site was launched. SMG Hawai'i and HVCB continued to build Hawai'i's brand positioning using the themes of "rejuvenation" and "inspiration" and joint advertising and marketing efforts. The call-to-action used by both teams in print and online advertising drove customers to the Business Aloha Web site.

Below are highlights of SMG Hawai'i's marketing activities and accomplishments:

- Kicked off the 10th Anniversary promotion at the January annual meeting of the Professional Convention and Meetings Association (PCMA) in Seattle, Washington, targeting associations of more than 2,500 attendees and encouraging them to book Hawai'i over "need" years;
- Developed insert pieces in both English and Japanese for the "Global Outreach" program, targeting associations which are seeking opportunities to draw attendance from both sides of the Pacific;
- Initiated the "Global Outreach" program in Japan with convention organizers and travel partners in May 2008 in Tokyo; and

- Launched the Japanese Business Microsite in conjunction with the "Global Outreach" insert developed together with Nikkei Business to highlight key industries in Hawai'i which can help draw meetings and conventions to Hawai'i.

For more on the Hawai'i Convention Center, see page 32.

## Corporate Meetings & Incentives (CMI)

The HVCB's CMI division focused on direct selling, lead generation and client services for corporate meetings and incentives for hotels and resorts on all islands. The leads generated are selling opportunities for the hotel/resort properties to convert into business, which in turn create business for Hawai'i's companies, including restaurants, transportation companies, retailers, activities, and attractions.

CMI marketing highlights for the year included the following activities and accomplishments:

- Recipient of the 2008 Gold Service Award for the 19th consecutive year by readers of *Meetings & Convention* magazine;
- Awarded the 2008 Pinnacle Award for Top Destination Support Organization Worldwide by *Successful Meeting News*; and
- Translation of the Meeting Planners Guide into Japanese, Korean, simplified Chinese and traditional Chinese for use in building business from Asia.

## Sports Marketing

Sporting events offer several benefits for Hawai'i including the following:

- **Economic Impact:** People coming to Hawai'i to participate, attend or operate events translates to visitor spending. This helps to create and sustain jobs and generate state and local tax revenues;
- **Media Coverage:** The positive publicity generated by national and international media coverage promotes Hawai'i as a desirable sports venue and an attractive visitor destination; and
- **Residents' Quality of Life:** Sporting events provide residents with opportunities to attend or participate in additional sporting activities which add to their quality of life.

Recognizing these benefits, the HTA developed a sports marketing program that is designed to increase Hawai'i's sports presence to a globally competitive level and to facilitate sports business development in Hawai'i.

Through the program, HTA also:

- Stimulates visitor travel during non-peak travel periods (fall and spring);
- Supports local sports organizations and sports intrinsic to the islands; and
- Supports initiatives that showcase the islands, host culture and distinctive cultural assets.

In 2008, the HTA's Sports Marketing Program included the following efforts:

- More than 20,000 fans watched international soccer sensation David Beckham, Hawai'i's own Brian Ching,



and other stars from L.A. Galaxy and the Houston Dynamo of Major League Soccer, Gamba Osaka of Japan and Sydney FC of Australia compete in the inaugural **Pan-Pacific Championship** at Aloha Stadium. The two-night tournament on February 20 and 23 was broadcast live on *ESPN Classic* and online at *ESPN360.com*. The game was also shown in Japan, Hong Kong, Malaysia, Canada, Australia, Vietnam, South Korea, and other international markets. During the week leading up to the tournament, players from all four teams participated in community events on O'ahu including youth soccer clinics and a meet and greet with fans. The Pan-Pacific Championship accounted for more than \$8.4 million in visitor expenditures and generated \$750,000 in state tax revenue.

- The 2008 **NFL Pro Bowl** brought in approximately 24,761 visitors, 80 percent of which specifically came to Hawai'i to attend the game, accounting for \$28.07 million in visitor spending and \$2.5 million in state taxes. The Nielsen national rating for the Pro Bowl

was 6.3, an increase of 37 percent over 2007. The HTA is currently in discussions with the NFL to secure a new agreement to keep the Pro Bowl in Hawai'i for another four years.

- The HTA's partnership with the **PGA Tour**, for seven Hawai'i-based tournaments including the Sony Open in Hawai'i, Mercedes-Benz Championship and MasterCard Championship at Hualalai, resulted in more than 20 hours of television coverage, broadcast nationally during the winter months. The HTA is reviewing its partnership with the PGA Tour by assessing the structure of the contract and its present value and relevance in Hawai'i's golf market.
- In October, the HTA announced a new partnership with *ESPN Regional Television*, Inc. (ERT), a subsidiary of ESPN, which will provide Hawai'i with an exceptional marketing opportunity. Through this new agreement, Hawai'i will receive nearly \$4 million worth of national media coverage in target consumer markets during the inaugural **Diamond Head Classic** and **Sheraton Hawai'i Bowl**.



**Pan-Pacific Championship**



**Ford Ironman World Championships**



**Duke's OceanFest**

## Portfolio of Sports Events

In addition to the NFL Pro Bowl and PGA Tour contracts, the HTA invested in other sports events for 2008, as listed below:

- **Honolulu Triathlon**  
May 17-18, 2008 (O'ahu)
- **Moloka'i World Championships**  
May 18, 2008 (Moloka'i & O'ahu)
- **Maui Jim Hawai'i Marlin Tournament Series**  
June-October, 2008 (Hawai'i)
- **Hawai'i International Billfish Tournament**  
July 20-24, 2008 (Hawai'i)
- **Duke's OceanFest**  
August 17-24, 2008 (O'ahu)
- **OHCRA Championship Racing Series**  
August-October, 2008 (Moloka'i & O'ahu)
- **Maui Marathon**  
September 14, 2008 (Maui)
- **Ford Ironman World Championships**  
October 11, 2008 (Hawai'i)
- **Xterra World Championships**  
October 26, 2008 (Maui)
- **EA Sports Maui Invitational**  
November 24-26, 2008 (Maui)
- **Van's Triple Crown of Surfing**  
November-December 2008  
(Maui & O'ahu)
- **Xterra Xduro 21K Trail Run World Championship**  
December 7, 2008 (O'ahu)
- **Sheraton Hawai'i Bowl**  
December 24, 2008 (O'ahu)

# Marketing

## Visitor Profile by MMA

To appeal to different geographic markets around the world, the HTA, on behalf of the state, has identified different major market areas (MMAs) based on visitor characteristics, state of market development, and competitive environment. The following are profiles of Hawai'i leisure visitors by MMA.

### NORTH AMERICA \* (U.S. WEST, U.S. EAST AND CANADA)

#### U.S. WEST:

Primary Purpose of Stay:	Pleasure (1,875,891) vs. MCI (130,547)
Average Length of Stay:	9.55 days
First Time Visitors:	20.0%
Repeat Visitors:	80.0%
Average Number of Trips:	6.66

#### U.S. EAST:

Primary Purpose of Stay:	Pleasure (1,112,742) vs. MCI (146,640)
Average Length of Stay:	10.40 days
First Time Visitors:	44.6%
Repeat Visitors:	55.4%
Average Number of Trips:	3.75

#### CANADA:

Primary Purpose of Stay:	Pleasure (245,567) vs. MCI (12,834)
Average Length of Stay:	12.72 days
First Time Visitors:	39.9%
Repeat Visitors:	60.1%
Average Number of Trips:	3.72

### JAPAN \*

Primary Purpose of Stay:	Pleasure (882,628) vs. MCI (44,347)
Average Length of Stay:	5.72 days
First Time Visitors:	42.1%
Repeat Visitors:	57.9%
Average Number of Trips:	3.62

### OTHER ASIA \*\*

Primary Purpose of Stay:	Pleasure (76,860) vs. MCI (12,852)
Average Length of Stay:	8.96 days
First Time Visitors:	73.1%
Repeat Visitors:	26.9%
Average Number of Trips:	1.95

### OCEANIA \*\*

Primary Purpose of Stay:	Pleasure (148,106) vs. MCI (4,343)
Average Length of Stay:	8.94 days
First Time Visitors:	51.6%
Repeat Visitors:	48.4%
Average Number of Trips:	2.48

### EUROPE \*\*

Primary Purpose of Stay:	Pleasure (92,627) vs. MCI (6,720)
Average Length of Stay:	12.28 days
First Time Visitors:	70.0%
Repeat Visitors:	30.0%
Average Number of Trips:	2.29

\* 2008 data through October

\*\*2007 data, since 2008 preliminary data is not yet available for these markets.

Source: State of Hawai'i Department of Business, Economic Development & Tourism



# Natural Resources

*Goal: To respect, enhance and perpetuate Hawai'i's natural resources to ensure a high level of satisfaction for residents and visitors.*

2008 Budget: \$5,000,000

Hawai'i's natural environment is a critical element of Hawai'i's tourism product. Together with its Natural Resources Advisory Group (NRAG - member listing is available on HTA's Web site), the HTA focuses on setting policies and priorities for the agency's Natural Resources Program and building partnerships throughout the community.

Specifically, through this program, the HTA:

- Provided \$1.75 million to support the State Department of Land and Natural Resources (DLNR) to address priority list projects, identified by the 2003 Natural Resources Assessment, including the following:
  - Hāpuna Beach State Recreation Area on Hawai'i Island
  - Wailua River State Park ('Ōpaeka'a Falls) on Kaua'i
  - Wai'ānapanapa State Park on Maui;
- Provided \$250,000 to the County of Kaua'i to support work at the Hā'ena County Beach Park, a priority site identified in the Assessment;
- Provided \$1.0 million to DLNR to support the Nā Ala Hele Trails and Access Program and its State Parks Division. These funds were used to hire additional DLNR staff to manage and maintain trails

across the state and for work to be done on the following:

- Kiholo Bay State Historical Park on Hawai'i Island
- Kōke'e State Park's Kalalau Lookout on Kaua'i
- Nāpali Coast State Park at Kalalau Beach on Kaua'i
- Ka'ena Point State Park on O'ahu
- Statewide interpretive signage development; and
- Supported 25 community-based projects throughout the state (A complete list of projects can be found on the HTA Web site).

Throughout the year, NRAG and HTA staff have conducted site inspections to monitor and evaluate the progress of programs that have received HTA funding and to assess areas that may need assistance in the future. In 2008, site inspections were conducted on O'ahu (He'eia State Park, Kāne'ohe Bay, Lā'ie Point State Wayside, Laniākea Beach Park, and Mokulē'ia State Park) and on Kaua'i (Manōkalanipō/Po'ipū Beach Park, Kōloa Heritage and Māhā'ulepū Heritage trails, Kōke'e Park, and Kalalau Lookout).

The following is a partial list of community-based programs that received funding from HTA in 2008. A complete list of projects can be found on the HTA Web site.

Organization	Project Title	Project Description	Island
The Kohala Center	Saving Kahalu'u Bay	Supports educational, environmental, and community activities to preserve and restore Kahalu'u Bay	Hawai'i Island
Volcano Art Center	Volcano Native Rainforest Preservation & Education	Encourages sustainable tourism for visitors and land stewardship by residents	Hawai'i Island
Hui o Laka	Kōke'e Trails, Trees, & Lookout Improvement Project	Supports trail restoration and planting efforts	Kaua'i
Project S.E.A.-Link	Changing Tides: Marine Education, Outreach & Monitoring	Supports education, outreach and biological monitoring programs at Honolua Bay	Maui
Hale'iwa Main Street dba Northshore Chamber of Commerce	Laniākea Beach Honu Education Project	Supports an educational outreach program at Laniākea Beach to protect the Hawaiian green sea turtles	O'ahu



## 6. Research and Planning

*Goal: To perform collaborative research and planning for use in the development of programs, policies and plans that will positively contribute to the state's economy, benefit the community and sustain Hawai'i's resources.*

2008 Budget: \$5,000,000

**B**asic data is essential for making informed decisions, developing accountability measures and exploring new avenues. The HTA's primary efforts within this initiative are listed below:

### TNS

Using services provided by TNS, the HTA continues its accountability measurement system to track the impact and effectiveness of its marketing programs in three MMAs – U.S. West, U.S. East and Japan. The results are compared against the previous quarter to gauge changes in consumers' attitudes about Hawai'i as a destination. This year, TNS expanded its survey to determine if those who said they were planning a vacation to Hawai'i actually traveled here. The final 2008 report is due in February 2009. Year-to-date quarterly reports are available on HTA's Web site. Below is a sample of some of the findings through June 2008.

**Table 1.1** shows that intent to travel from the state's core markets – Japan and U.S. West – remain strong while U.S. East is showing some decline.

### Hawai'i Visitor Statistics

HTA provided approximately \$1.5 million to the Research, Economic and Analysis Division (READ) of the Hawai'i State Department of Business, Economic Development and Tourism (DBEDT) to conduct Hawai'i visitor research on a variety of topics including monthly visitor arrival and expenditure information by MMA, airlift by MMA to Hawai'i and visitor satisfaction surveys. The visitor information generated by READ is used by the HTA, its marketing contractors, other government agencies, visitor industry businesses, and many other tourism stakeholders to better understand the economic impact of Hawai'i's visitor industry and to

make informed decisions relating to Hawai'i's visitor industry. Information on the various reports and statistics can be found at <http://hawaii.gov/dbedt/info/visitor-stats>.

### Hawai'i Cruise Industry Study

During the 2007 Legislative Session, funds were appropriated to HTA and to the Hawai'i State Department of Transportation for a Hawai'i Cruise Industry Study. Since its start last October, the study has been managed by DBEDT and includes involvement by a stewardship group of over 25 individuals from across the state, who have provided input relating to Hawai'i's environment, economy, Native Hawaiian culture, maritime industry, cruise industry, and visitor industry. The study is scheduled for completion by year-end and will be provided to policymakers to assist them in their decision-making processes.

### Resident Sentiments on Tourism Survey

The HTA conducts a survey of resident sentiments on tourism each year to gauge resident feelings about tourism, and to understand both stress triggers and benefits generated by Hawai'i's leading industry. The survey is one of the identified performance benchmarks of the State TSP. The 2008 survey will be conducted before year-end and results will be available by first quarter 2009.

**Table 1.1 Future Travel Intentions Remain Steady**

<b>Total Long Distance Travelers – U.S. West</b>	<b>2006</b>	<b>2007</b>	<b>2008 Q1</b>	<b>2008 Q2</b>
Consider Hawai'i	37%	36%	38%	36%
Likely to Visit (next 2 years)	43%	39%	37%	37%
<b>Total Long Distance Travelers – Japan</b>	<b>2006</b>	<b>2007</b>	<b>2008 Q1</b>	<b>2008 Q2</b>
Consider Hawai'i	39%	38%	38%	39%
Likely to Visit (next 2 years)	35%	31%	33%	32%
<b>Total Long Distance Travelers – U.S. East</b>	<b>2006</b>	<b>2007</b>	<b>2008 Q1</b>	<b>2008 Q2</b>
Consider Hawai'i	18%	18%	21%	16%
Likely to Visit (next 2 years)	20%	17%	18%	16%



## 7. Safety and Security

*Goal: To achieve a safe Hawai'i visitor experience.*

*2008 Budget: \$2,350,000*

The HTA is identified as a support entity in this initiative, and as such, is committed to assisting other lead agencies and organizations that are responsible for ensuring that Hawai'i continues to be a safe and secure visitor destination.

### HTA Safety and Security Plan

Tourism & More, Inc. completed a plan for the HTA to help advance its Safety and Security initiative. The plan (available on HTA's Web site) includes an assessment of visitor industry safety and security needs and various recommendations for the HTA to implement that would contribute to a safe visitor experience. Following is a listing of the high priority recommendations for HTA:

- Continue funding the Visitor Assistance Programs (VAP) statewide;
- Utilize multi-media technology to deliver visitor safety/security information;
- Increase the use of camera surveillance in high crime areas;
- Further publicize HTA's Travelsmart Hawai'i Web site; and
- Encourage the development of a statewide ocean safety awareness program.

### Hawai'i Visitor Alert System

Developed with the cooperation and support of State Civil Defense, the City's Department of Emergency Management and the Hawai'i Hotel and Visitor Industry Security Association, this system features pre-recorded in-room hotel television programming on various security and emergency situations. Programming is in both English and Japanese languages and provides information on what to expect and what do in the event of an actual emergency.

### Security Camera Surveillance Systems – A State and County Partnership

With successful results generated by a pilot security camera program, the HTA entered into agreements in 2008 with each of the four counties to develop and implement security camera surveillance systems in public areas frequented by visitors and residents.

County	Program Amount
City & County of Honolulu	\$175,000
County of Hawai'i	\$500,000
County of Kaua'i	\$375,000
County of Maui	\$400,000

### Visitor Assistance Programs

When visitors in Hawai'i are affected by crime and other adversities, Hawai'i's hospitality is exemplified by Visitor Assistance Programs (VAP) available in each county. These agencies, along with their volunteers and a wide network

of partner organizations from outside and within the visitor industry, offer assistance in many forms: guidance and support, restaurant coupons, amenity bags, lodging and airline assistance, bereavement services, and much more. Referrals for assistance are provided by various entities including county police departments, visitor bureaus, visitor industry businesses, and hospitals.

### Visitor Assistance Program Contacts

Through June 2008, visitor assistance program (VAP) volunteers assisted in over 1,700 cases on O'ahu, Kaua'i, Maui, and Hawai'i Island that involved visitors to Hawai'i who were victims of crime or experienced unexpected hardships. VAP is funded by HTA with additional support provided by the visitor industry. For more information or to find out how you can volunteer, please contact a VAP on your island:

**Visitor Aloha Society of Hawai'i (O'ahu)**  
Ph: (808) 926-8274

**Visitor Aloha Society of Kaua'i**  
Ph: (808) 482-0111

**Maui Visitors Bureau (Maui County)**  
Ph: (808) 244-3530

**Visitor Aloha Society of Hawai'i Island**  
Ph: (808) 765-0785 – Kona  
Ph: (808) 756-1472 – Hilo

## 8. Tourism Product Development

*Goal: To provide a diverse and quality tourism product unique to Hawai'i that enhances the Hawai'i visitor experience and enriches residents' quality of life.*

2008 Budget: \$5,390,000

HTA's primary efforts in this initiative are centered on the experiential aspects of the tourism product. Specifically, HTA's efforts for the year are listed below:

### Product Enrichment Program (PEP)

The County PEP (CPEP) is a partnership between the HTA and each of the four counties to diversify and enrich Hawai'i's tourism product by developing new and enhancing existing community-based events, experiences and projects related to activities in the niche areas of agritourism, cultural tourism, ecotourism, health and wellness tourism, edutourism, and technotourism. In 2008, each county was allocated \$500,000 and an additional \$200,000 was made available to support the Statewide PEP (SPEP) that covers multi-county or special activities. A complete list of all projects is available on the HTA Web site.



East Maui Taro Festival



North South East West Festival



KCC Farmers Market

### Major Festivals Program

HTA's Major Festivals Program supports events that portray the diversity and culture of Hawai'i while drawing significant attendance to the state. Festivals that receive support under this program also market and promote their activities locally and outside of the state.



Kona Coffee Cultural Festival (Hawai'i Island)

## M a j o r

In 2008, the HTA supported seven major festivals:

- **Hawai'i International Film Festival –**

Established in 1981, the Hawai'i International Film Festival (HIFF) is dedicated to the advancement of understanding and cultural exchange among individuals from Asia, the Pacific and North America, through the medium of film. HIFF is the premiere international film event in the Pacific and the largest "East meets West" Festival in the United States.

- **Honolulu Festival –**

The Honolulu Festival is one of Hawai'i's premier cultural events, promoting understanding, economic cooperation and ethnic harmony between the people of Hawai'i and the Asia-Pacific region.







Maui Film Festival at Wailea



Kōloa Plantation Days (Kaua'i)



Pan Pacific/Matsuri in Hawai'i Festival (O'ahu)

# Festivals Program

This three-day event features dance performances, art demonstrations, a parade and other cultural activities.

- **Kōloa Plantation Days** – “Getting Together – Plantation Style” was the theme of this year’s event held on Kaua’i’s South Shore, where Hawai’i’s first sugar plantation was founded in 1835. The nine-day festival included activities ranging from craft fairs, nature walks and other events to showcase the area’s social history, natural history and its diverse cultural traditions.
- **Kona Coffee Cultural Festival** – Now in its 38th year, the Kona Coffee Cultural Festival is a celebration and promotion of Kona coffee and the multi-cultural heritage of its Kona coffee pioneers. The festival features various events including contests, food tastings, parades, a scholarship pageant, farm tours, exhibits, and more.

- **Maui Film Festival at Wailea** – The Maui Film Festival is a unique annual event where visitors can watch quality films under the clear skies on Wailea Beach. In addition to movie-going, attendees can participate in exciting activities such as a food and wine event or chocolate tastings. This year’s event attracted premier actors including Pierce Brosnan, Dennis Quaid and Felicity Huffman.

- **Maui Writers’ Conference** – This year’s Maui Writers Conference went on the road to Honolulu and featured dozens of agents and editors along with the best writers and screenwriters in the country. The conference offered more than 100



Randy Jay Braun

lectures, workshops, and informal gatherings where aspiring writers learned about writing and the business of publishing and film. Featured participants in the event included New York Times best-selling author of 18 novels, John Lescroart, Pulitzer Prize finalist, H.W. Brands and Bobby Moresco, Academy Award winning screenwriter for the movie *Crash*.

- **Pan Pacific/Matsuri in Hawai'i Festival** – The Pan Pacific/Matsuri Festival began in 1980 as a cultural exchange between Japan and Hawai’i but has since grown to include other Asian and Pacific Rim countries. This three-day intercultural event includes festivities such as a Waikīkī block party, live entertainment, ethnic food sampling and dance performances from featured countries.

# Tourism Product Development

## Technical Assistance and Capacity Building

Within this initiative, one of HTA's major focuses this year is to provide support to festival and event organizers so that they can build capacity while improving the quality of festivals and events offered in the state.

The two efforts under this area are:

- **Annual Festivals and Events Seminar**

In May, the HTA sponsored its fourth annual Hawai'i Festivals and Events Seminar: "Secrets for Growth." The seminar, conducted on the islands of O'ahu, Maui, Kaua'i, and Hawai'i, attracted 365 attendees who participated in various professional development opportunities. The seminar featured national and island speakers including the following:

- Dan McConnell, Managing Director of DB Public Relations, "Destination Trends & The Role of Festivals and Events;"
- Ed Struzik, 2008 President of the Gilroy Garlic Festival, "Leadership: How the Gilroy Garlic Festival Became Synonymous with Garlic;"



**Ed Struzik, The Gilroy Garlic Festival**

- Joe Vera, President/CEO of BorderFest, "Small but Mighty: A Town of 8,000 Hosts One of the Top Festivals in the Nation;" and
- Kay Wolf, Assistant City Manager of Hidalgo, Texas and Planner of BorderFest and Festival of Lights, "Advanced Operations – The Nitty Gritty of Operations Planning."

- **Certified Festival and Event Executive (CFEE) Program**

Through a partnership with the International Festivals and Events Association (IFEA), the HTA initiated the "CFEE Fast Track" – a new program offered for the first time anywhere. The CFEE certification program was developed by the IFEA in 1983 to provide industry professionals the opportunity to enhance and be recognized for their professional stature and set higher standards for the festivals and events industry.

The Fast Track version of the program allows candidates from Hawai'i to complete the program in two years versus the normal three or more years at a substantial cost savings and without leaving the state.

## Post-Arrival Promotional Campaign

The Post-Arrival Promotional Campaign supports island festivals and events that receive funding from HTA. The campaign



**HTA and OmniTrak staff welcome Festivals and Events Seminar speakers.**

provides information to post-arrival visitors, as well as residents, of the many quality festivals and events happening in Hawai'i.

The "Festivals of Hawai'i" campaign includes print, television, radio, and internet media, as well as a promotional effort targeted at hotel concierges throughout the state. New elements for 2008 included enhanced promotion through Hawaiian Air's in-flight video and in-flight publication, *This Week* visitor publication and promotions with KSSK radio station.



**Come feel the energy in the air.**  
**KONA COFFEE CULTURAL FESTIVAL**  
November, Hawaii Island

Imagine waking to the sun, sipping coffee, and feeling the energy of the island. The Kona Coffee Cultural Festival is the perfect way to experience the best of Kona. The festival is a celebration of the island's coffee culture, featuring a variety of activities, including coffee tastings, live music, and a parade. The festival is held at the Kona Coffee Cultural Center, which is a beautiful building that houses the Kona Coffee Cultural Foundation. The festival is a great way to experience the island's coffee culture and to support the local coffee industry.

Each year, since 1978, the Kona Coffee Cultural Festival has been a tradition. It is a celebration of the island's coffee culture, featuring a variety of activities, including coffee tastings, live music, and a parade. The festival is held at the Kona Coffee Cultural Center, which is a beautiful building that houses the Kona Coffee Cultural Foundation. The festival is a great way to experience the island's coffee culture and to support the local coffee industry.

Join us in Kona for the Kona Coffee Cultural Festival. It's a celebration of the island's coffee culture, featuring a variety of activities, including coffee tastings, live music, and a parade. The festival is held at the Kona Coffee Cultural Center, which is a beautiful building that houses the Kona Coffee Cultural Foundation. The festival is a great way to experience the island's coffee culture and to support the local coffee industry.

On every island, on any weekend, Hawai'i celebrates. Come join us for the festival. See the details at [www.konacoffee.com](http://www.konacoffee.com). 1-877-FESTFUN (337-6386).

**Festivals of Hawai'i**  
A Division of the Hawaii Tourism Authority

**Festivals of Hawai'i print ad**

## 9. Workforce Development

*Goal: To ensure a sufficient and highly qualified workforce that is provided with meaningful careers and advancement opportunities.*

2008 Budget: \$1,200,000

HTA's efforts in this initiative are listed below:

### Academy of Hospitality and Tourism

The Academy of Hospitality and Tourism (AOHT) is a partnership between local businesses and schools to help prepare young people for future careers in hospitality and tourism through a combination of school-based curricula and work-based experiences. There are currently six high schools on O'ahu, Maui and Kaua'i that participate in this program. HTA's partnership supported the following:

- Various AOHT workshops, enrichment programs and activities;
- Participation of AOHT students and advisors at HTA's annual Hawai'i Tourism Conference held in Honolulu;
- Funding for the annual AOHT student conference and career fair day; and
- Support for a statewide program coordinator.

### Tourism Workforce Coordinator and Advisory Council

HTA partnered with the Hawai'i State Department of Labor and Industrial Relations (DLIR) to support the implementation of three

of the actions recommended in the *Tourism Workforce Development Strategic Plan 2007-2015* that was developed by the University of Hawai'i at Mānoa, School of Travel Industry Management for the HTA. The recommendations implemented by DLIR are as follows:

- Establish a Tourism Workforce Development Advisory Council;
- Hire a full-time tourism workforce coordinator; and
- Expand its tourism workforce Web site platform to provide data, information, resources, and networking opportunities for all stakeholders.

### Other Workforce Development efforts supported by the HTA in 2008 include:

- Language and culture training for Hawai'i's visitor industry with a focus on Chinese, Korean and Japanese markets – HTA partnered with University of Hawai'i's Kapi'olani Community College to develop a curriculum and training program to prepare employees working in Hawai'i's hospitality and tourism industry on the language, culture, protocol, and customs of these emerging visitor markets. This program was launched statewide in Fall 2008;
- Ho'okipa Me Ke Aloha Program – In collaboration with the City and County of Honolulu's Youth Build Services Center and Kapi'olani Community College's Interpret Hawai'i Program, this program

was developed to provide training for youth at the Kalihi Youth Services Center. The program focused on exposing youth to visitor industry businesses, allowing them an opportunity to observe how Hawaiian cultural values are incorporated in the workplace, and acquaint them with hiring processes;

- Ho'okipa Me Ke Aloha Program (Phase II) – Kapi'olani Community College's Interpret Hawai'i program is expanding its statewide certification training for visitor industry employees with a Train-the-Trainer Certification of Professional Development. Upon completion, certified trainers will be able to share what they have developed with fellow employees, people in their communities and professional industry associations. Phase II continues the efforts that began in 2007 to provide this training to Hawai'i's visitor industry statewide; and
- *Hawai'i Business Magazine* Special Insert – The HTA provided support for special inserts in *Hawai'i Business* magazine summarizing the Tourism Workforce Development Strategic Plan.





### III. Hawai'i Convention Center

The Hawai'i Convention Center (HCC), marketed and managed by SMG Hawai'i, continues to draw new dollars into the economy and brings tax revenues into the state through the booking of large offshore conventions. In addition to the economic benefits, HCC also provides benefits to the local community, serving as a venue for consumer shows, concerts and civic and educational programs throughout the year.

#### HCC Major Highlights for 2008:

- HCC has received the "Prime Site" award by *Facilities and Destinations* magazine for the 10th year in a row. This award positions the HCC as one of the nation's top entertainment, sports and special event venues and allows the center to be marketed to a larger audience;
- New records were set for two organizations holding their events at the center:
  - The Society of Critical Care Medicine surpassed its projected attendance of 4,500 by 29 percent; and
  - The American Society of Pediatrics exceeded its projected attendance of 7,000 by three percent;
- Business and attendance development were targeted for future conventions at the center including the Alzheimer's Association 2009, the American Academy of Cosmetic Dentistry 2009, the American Dental Association 2009, and the American College of Chest Physicians 2011;
- SMG is working to ensure that the HCC is able to achieve certification in the



Leadership in Energy and Environmental Design (LEED) through green building and energy savings programs such as a complete lighting retrofit of the exhibit hall, recycling management, delegate education programs, procurement of green products, and reuse of resources; and

- SMG leveraged partnership relationships with the Professional Convention Management Association (PCMA), the HCC Association Advisory Board, and a newly created Corporate Advisory Board to achieve more leads and bookings for the center.

#### Community Relations:

HCC employees reached out to the community through participation in Aloha United Way, Toys for Tots, the Annual Visitor Industry Charity Walk, Tour de Trash, River of Life Mission's Thanksgiving Outreach, the American Cancer Society's Relay for Life, and by providing surplus food donations to Harbor House.

### Hawai'i Convention Center Top Events of 2008

#### Sweet Adelines International 2008 Annual Conference:

Delegates: 10,000  
Room Nights: 80,400  
Tax Revenue: \$4,580,134

#### Pediatric Academic Societies Annual Meeting:

Delegates: 7,000  
Room Nights: 56,280  
Tax Revenue: \$3,206,094

#### Society for Critical Care Medicine 2008 Annual Congress:

Delegates: 4,500  
Room Nights: 36,180  
Tax Revenue: \$2,061,060

#### American Podiatric Medical Association Annual Scientific Meeting:

Delegates: 3,500  
Room Nights: 28,140  
Tax Revenue: \$1,603,047

#### American Counseling Association:

Delegates: 3,500  
Room Nights: 28,140  
Tax Revenue: \$1,603,047

#### Flight Centre Global Gathering 2008

Delegates: 2,200  
Room Nights: 3,300  
Tax Revenue: \$1,007,629

**Major Corporate Groups:** Sony, Cisco Systems Partner Summit, Corporate Global Annual Meeting, and Best Western International 2008 Annual Meeting total 9,400 delegates, 69,036 room nights, and \$4,305,326 in statewide tax revenue.

## IV. Hawai'i's Visitor Industry

The overall health of the visitor industry is measured by four high-level performance indicators that are noted in the State TSP:

- Visitor expenditures;
- Visitor satisfaction;
- Resident sentiments; and
- Tax receipts.

In the past, the measurement of a healthy and successful visitor industry was based on the number of visitor arrivals to Hawai'i. However, with the development of the State TSP and its stated vision, the measurement of a successful and sustainable visitor industry has shifted away from counting visitor arrivals. The new measures of success are based on economic growth and benefits, satisfied visitors and most importantly, satisfied residents. All of these elements are essential to the long-term health and sustainability of tourism in Hawai'i.

### Visitor Industry Performance

The industry's projected performance for 2008, as compared to last year's (2007) performance in terms of visitor expenditures, visitor days and visitor arrivals are listed by MMAs, business supplement and cruise ship passengers in Table 1.

**Table 1: 2007 Performance and Projected Performance for 2008 by MMA**

	Visitor Expenditures		Visitor Days		Visitor Arrivals	
	2008* Projections (\$billion)	2007 Actuals (\$billion)	2008* Projections (million)	2007 Actuals (million)	2008* Projections (million)	2007 Actuals (million)
US West	4.113	4.760	26.727	30.537	2.779	3.245
US East	3.240	3.777	17.589	19.596	1.682	1.902
Japan	1.892	1.982	6.659	7.373	1.167	1.296
Canada	0.705	0.634	4.590	4.207	0.362	0.333
Others	1.592	1.425	7.562	7.423	0.746	0.721
Business supplement	0.162	0.185	NA	NA	NA	NA
Visitors by cruise ships	0.038	0.048	0.757	0.940	0.100	0.131
Total	11.743	12.811	63.883	70.075	6.837	7.628

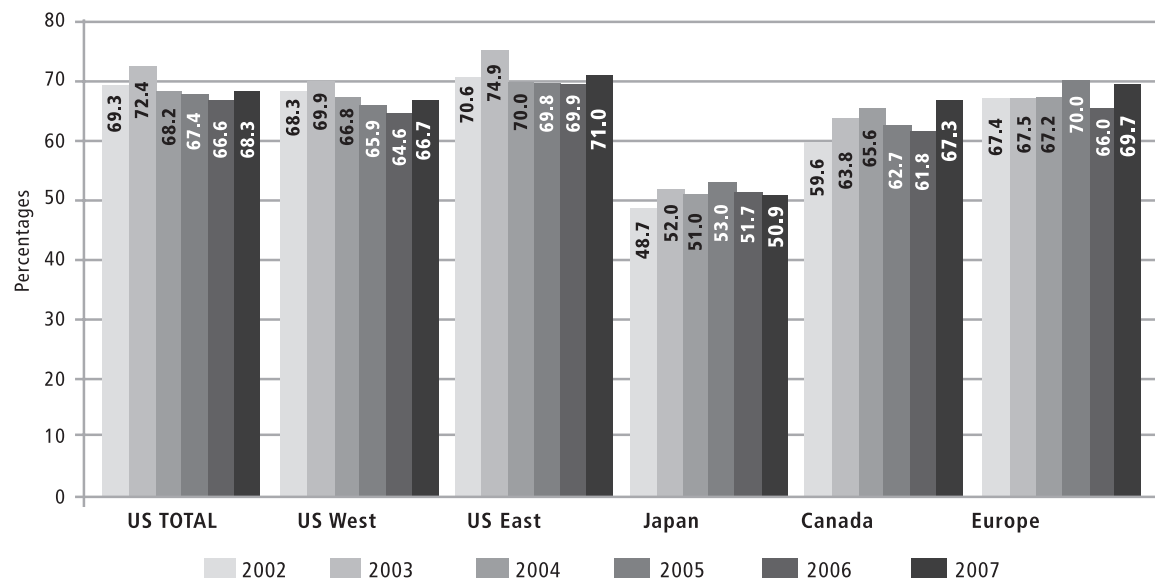
\*2008 projections are based on DBEDT statistics using actual information from January - September and projections for the months of October, November and December 2008.

Source: State of Hawai'i Department of Business, Economic Development & Tourism

# Hawai'i's Visitor Industry

## Visitor Satisfaction

**Table 2:**  
**Overall Visitor Satisfaction Percentages by select MMAs:**  
**U.S. Total, U.S. East, U.S. West, Japan, Canada, and Europe for 2002-2007**



Source: State of Hawai'i Department of Business, Economic Development and Tourism

## Resident Sentiment Survey

Another measurement of the State TSP is resident sentiments. An important question on the survey is listed below:

Agree or disagree: *"Overall, tourism has brought more benefits than problems."*

- Survey conducted in 2007 and released in February 2008 73 percent agree
- Survey conducted in 2006 and released in December 2006 74 percent agree
- Survey conducted in 2005 and released in February 2006 71 percent agree
- Survey conducted in 2002 and released in 2003 77 percent agree

Source: Market Trends Pacific, Inc., and John M. Knox & Associates

## Top 10 Visited Attractions in 2007

1. U.S.S. Arizona Memorial, O'ahu 1,557,336
2. Hawai'i Volcanoes National Park, Hawai'i Island 1,467,779
3. Haleakalā National Park, Maui 1,322,817
4. Polynesian Cultural Center, O'ahu 719,221
5. Honolulu Zoo, O'ahu 601,510
6. Diamond Head State Monument, O'ahu 584,909
7. Pu'u honua O Hōnaunau, Hawai'i Island 489,785
8. Kīlauea Point National Wildlife Refuge, Kaua'i 478,000
9. Aquarium Maui/Maui Ocean Center, Maui 471,570
6. 'Īao Valley State Monument, Maui 431,400

Source: State of Hawai'i Department of Business, Economic Development and Tourism

# Hawai'i's Visitor Industry

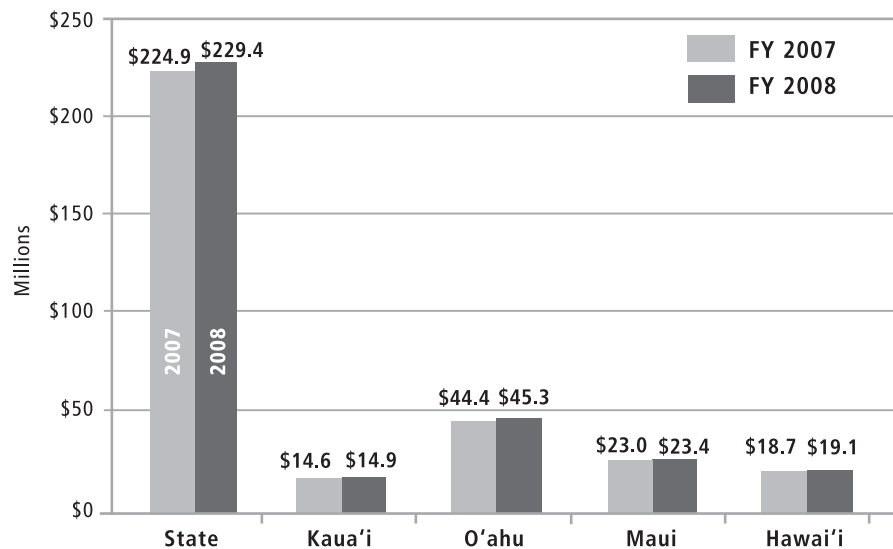
## Transient Accommodations Tax (TAT) Collections

Another measurement of the industry's performance is the amount of TAT collections the state receives each month. The more TAT collected, the more benefits that are accrued to the state as a whole, to the individual counties, and also, to Hawai'i's residents. Importantly, this revenue finds its way into the local community on each island, to support schools, police, infrastructure, and parks, and contributing to an improved quality of life for all.

As of July 1, 2007, the TAT revenues collected for the state are distributed as follows:

- 17.3 percent is deposited into the convention center enterprise special fund;
- 34.2 percent is deposited into the tourism special fund (HTA's fund);
- 3.7 percent is deposited into the general fund; and
- 44.8 percent is distributed to the counties (14.5 percent to Kaua'i, 18.6 percent to Hawai'i, 22.8 percent to Maui, and 44.1 percent to Honolulu).

**Table 3:  
Comparison of TAT collections for the state  
and to each county for FY 07 and FY 08**



Source: State of Hawai'i Department of Taxation

## Economic Contributions of Hawai'i's Travel & Tourism's Industry in 2007

- Hawai'i's Travel & Tourism Industry produced \$12.5 billion or 21.8 percent of Gross State Product;
- Hawai'i's Travel & Tourism Industry accounted for approximately 187,000 jobs or 21.4 percent of total employment for the state; and
- Hawai'i's Travel & Tourism Industry contributed \$1.29 billion tax dollars to the state and county government or 20.8 percent of total state and county tax revenue.

Source: State of Hawai'i Department of Business,  
Economic Development & Tourism



# HTA Fiscal Year (FY) 2008 Actuals

## Hawai'i Tourism Authority Fiscal Year 2008 Actuals (\$000)

### REVENUES

Tourism Special Fund	\$78,447
Investment Pool Interest/Miscellaneous Receipts	1,943

### TOTAL REVENUES

\$80,390

### APPROPRIATIONS

FY 2008	\$87,000
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### TOTAL APPROPRIATIONS

\$87,000

### HTA EXPENDITURES

Administrative Costs	2,979
Sports & Festival Events (Includes Pro Bowl/PGA)	9,142
Community & Special Events	15,932
Product Development	7,631

### MAJOR MARKETING

Leisure Marketing	34,249
Meetings, Conventions & Incentives Costs	9,264

### TOTAL HTA EXPENDITURES

\$79,197

Hawai'i Convention Center  
1801 Kalākaua Avenue  
Honolulu, Hawai'i 96815  
(808) 973-2255  
[www.hawaiitourismauthority.org](http://www.hawaiitourismauthority.org)



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